

Investment Recommendation No. 7

6 December 1965

MEMORANDUM FOR: Director of Finance

SUBJECT : Recommended Investment in U. S. Treasury Securities
for CIA Retirement Fund

I. Funds Available for Investment

Cash on Hand GL 906 - COB 3 December 1965

Reserve for Annuity Payments

Cash Available for Investment

Due from CCS COB

Chief, Compensation and Tax Division

II. Investment Proposal

A. The following U. S. Treasury securities are submitted for your consideration:

1. $4\frac{1}{4}\%$ U. S. Treasury Bonds maturing 15 May 1975/85
2. 4% U. S. Treasury Bonds maturing 15 February 1980
3. $4\frac{1}{4}\%$ U. S. Treasury Bonds maturing 15 August 1987/92
4. $3\frac{1}{2}\%$ U. S. Treasury Bonds maturing 15 November 1980

B. Specific Recommendation

We are recommending the investment up to [REDACTED] in proposal A.4 above. Our advisors in Treasury, after considering our present holdings, are suggesting the purchase of the $3\frac{1}{2}\%$ bonds of 1980. Although the coupon is a little less, the long-term yield is about 4.50 which is better than any of the other issues. Also, the price is about six points less which means more face value can be purchased. The 4% of 1980 are quoted about 95.5 whereas the $3\frac{1}{2}\%$ of 1980 are 89.5. It is felt that the higher long-term yield together with the better discount rate would make the $3\frac{1}{2}\%$ bonds more attractive at this time.

Deputy Chief, Monetary Division

APPROVED: [REDACTED]

Director of Finance

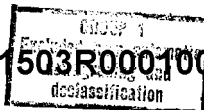
7 DEC 1965

Date

III. Action Taken

Approved For Release 1999/09/27 : CIA-RDP80-01503R000100010036-3

(Treasury 184-5651) on 7 December 1965 to [REDACTED]



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